
Report on:
Potential Impact of a Medicaid Photo Identification Requirement

presented to:
2007 Kansas Legislature

January 1, 2007

For additional information contact:

Luke Thompson
Kansas Health Policy Authority

Landon State Office Building
900 SW Jackson Street, Suite 900
Topeka, KS 66612
Phone: 785-296-3981
Fax: 785-296-4813

Agency Website: www.khpa.ks.gov
Address: Rm. 900-N, Landon Building, 900 SW Jackson Street, Topeka, KS 66612-1220

Medicaid and HealthWave:
Phone: 785-296-3981
Fax: 785-296-4813

State Employee Health
Benefits and Plan Purchasing:
Phone: 785-296-6280
Fax: 785-368-7180

State Self Insurance Fund:
Phone: 785-296-2364
Fax: 785-296-6995

2007 Kansas Legislature

January 1, 2007

Study on the Potential Impact of a Medicaid Photo Identification Requirement

The 2006 Kansas Legislature directed the Kansas Health Policy Authority (KHPA) to study the impact of requiring Medicaid beneficiaries to present photo-identification (i.e. a current Kansas driver's license, a state-issued identification card, or a federally-issued passport) each time Medicaid services are received. The proviso specified the following issues be studied:

“ . . . (2) the development of rules and regulations to address the need for third parties to access services for consumers under the state Medicaid plan, (3) the development of hardship criteria and a process for paying for a driver's license or state-issued identification card for hardship-qualifying Medicaid consumers with state funds that are matched at the highest allowable federal rate, and (4) the feasibility of implementing a plastic card with photo identification to access benefits under the state Medicaid plan. . . ”

Executive Summary

To examine and research the potential impact of a photo identification (ID) requirement, KHPA commissioned a statewide feasibility survey, conducted a national survey of Medicaid programs, evaluated photo IDs in light of historical experiences with similar requirements, and enumerated a variety of other potential implications.

Based on this review of beneficiary, provider, and operational concerns, we conclude that requiring Medicaid beneficiaries to show a photo ID before receiving services would pose a significant barrier to the appropriate use of medically necessary care. For this reason, the Board would not support such a policy without significant modification.

A photo ID requirement could have a particularly severe impact on the provision of care to certain populations, including:

- applicants who currently lack a picture ID and would be unable to transport their family to a Medicaid picture ID station;
- individuals in need of emergency services;
- children who lack an existing (approved) photo ID;
- individuals with certain disabilities; and
- those residing in institutional settings.

The requirement could also lead to an increase in missed appointments as beneficiaries present without photo ID, adding costs to both providers and beneficiaries.

To avoid such harmful impacts, a workable photo ID requirement would need to address each special population and circumstance, possibly through targeted exemptions, hardship criteria, or alternative requirements.

Study on the Potential Impact of a Medicaid Photo Identification Requirement

Kansas Health Policy Authority ♦ Presented on: 01/01/07

Statewide Survey

To examine the implementation issues associated with requiring Medicaid consumers to present state approved photo identification before receiving Medicaid services, KHPA contracted with the Docking Institute at Fort Hays State University (FHSU) to conduct a survey assessing the feasibility of such a requirement. The survey was designed to assess the potential impact of this requirement on Medicaid beneficiaries and to gain input and perceptions about the requirement from Medicaid providers. Areas studied were:

- What percentage of Medicaid beneficiaries do not currently have state-approved photo identification (i.e., driver's license, state ID, or federal passport)?
- What are the financial costs of acquiring state-approved photo identification?
- What steps would a Medicaid beneficiary without approved photo identification need to take to obtain one?
- What do Medicaid beneficiaries perceive as barriers to obtaining approved identification (e.g., financial costs and transportation to obtain the ID)?
- What are the perceptions and opinions of medical service providers, specifically office managers, regarding a photo ID requirement to receive services among medically eligible individuals?
- What are the perceptions and opinions of SRS Medicaid Liaisons regarding a photo ID requirement?

The overall results of the FHSU study are summarized below:

Survey of Medicaid Beneficiaries

- Only about a third (38%) of Medicaid beneficiaries responding to the survey who would need to obtain an ID “strongly agree” with the statement that “requiring Medicaid beneficiaries to show a photo ID is a good idea.” More than 20% do “not agree” with the statement.
- Only about two-thirds (64%) of the Medicaid beneficiaries surveyed expressed a willingness to purchase one of the three state-approved forms of identification.
- Slightly more than 85% of the beneficiaries needing a new ID “strongly agree,” “mostly agree,” or “somewhat agree” with a statement suggesting that they would experience financial hardship if required to purchase a photo ID.
 - An average of 1.8 IDs would need to be purchased per household.
 - A Kansas Driver's License and State ID cost between \$16 and \$22. A passport costs between \$82 and \$97.
 - Medicaid beneficiaries estimate that they can spend between \$5 and \$8 for one ID.
- Three-quarters (76%) of respondents “strongly agree,” “mostly agree,” or “somewhat agree” that they would need financial assistance to purchase an ID.
- Respondents in households needing more new photo IDs are more likely (than those in households needing fewer new photo IDs) to anticipate financial hardship, the need for financial assistance, and problems with childcare when traveling to purchase an ID.
- Respondents in households needing more new photo IDs are less likely to express the opinion that a new photo ID requirement is a “good idea.”
- Respondents in poorer households are more likely to anticipate financial hardship, the need for financial assistance, and transportation problems when traveling to get a new photo ID.
- Older respondents are more likely to express difficulty with transportation when attempting to obtain a new photo ID, while younger respondents express concerns about childcare issues.

Study on the Potential Impact of a Medicaid Photo Identification Requirement

Kansas Health Policy Authority ♦ Presented on: 01/01/07

Survey of Physician Office Managers

- The physicians' offices surveyed estimate that about 22% of their patients are Medicaid beneficiaries.
- Less than 14% of the office managers perceive even a "moderate amount" of Medicaid card "borrowing" among their patients.
- When asked if the proposed photo ID requirement would reduce the incidence of Medicaid card borrowing, 23% suggest that it would "greatly reduce" borrowing, and 48% suggest that it would "moderately reduce" borrowing.
- Office managers were evenly divided in their assessment of the impact of a Photo ID requirement on operations. About a quarter (23%) of the office managers surveyed anticipate a new photo ID requirement as having a negative influence on daily office operations, half (50%) anticipate that an ID requirement would have no influence on operations, while another quarter (27%) perceived a positive influence on operations.
- About half (52%) of the office managers "strongly agree" with the statement that "requiring Medicaid beneficiaries to show a photo ID at office visits is a good idea." About one in ten (11%) disagree with the statement.
- More than two-fifths (44%) of the office managers interviewed suggest that Medicaid beneficiaries should receive some sort of financial help with purchasing a new ID.

Survey of Supervisors and Case Managers

A handful of SRS supervisors or case managers were surveyed. Their perceptions were that:

- The typical Medicaid beneficiary will experience financial hardship if required to purchase a new photo ID.
- The typical Medicaid beneficiary will have difficulty traveling to obtain a new photo ID because of transportation problems and/or childcare issues.

National Survey

In addition to the FHSU statewide survey, KHPA conducted a national survey to determine if other states require Medicaid beneficiaries to present authenticating identification (e.g., a current resident driver's license, a state-issued identification card, a federally-issued passport, etc.) at the time medical services are received.

Survey questions included:

- Does your state require, or plan to require, Medicaid beneficiaries authenticate who they are at the time they receive services by presenting some form of self-identification?
- If yes, what form of identification does your state require, or plan to require?
- Did your Medicaid agency conduct, or does it plan to conduct, any studies on the potential impact?
- If yes, did the study include research regarding the feasibility of implementing a plastic card with photo ID to access benefits under the state plan?
- If yes, did the study conclude this arrangement would be feasible?
- Is there a summary of the overall results of the study that KHPA might access through the internet?
- If implementing (or planning to implement) an identification requirement, has your state developed rules and regulations addressing the need for third parties to access services for consumers under the state plan (e.g., as might happen with a person who has severe cognitive disabilities)?
- If yes, could your state send a copy of the rules and regulations that were developed to KHPA?

Study on the Potential Impact of a Medicaid Photo Identification Requirement

Kansas Health Policy Authority ♦ Presented on: 01/01/07

Sixteen states responded to the survey. Fifteen of the sixteen states do not require photo identification. Results are listed below.

State	Photo ID Required at Time of Service
Alaska	No
Connecticut	No
Idaho	No
Illinois	No
Iowa	No
Louisiana	No
Mississippi	Yes (alternatives accepted)
Missouri	No
Nebraska	No
Nevada	No
New York	No (some IDs have a photo)
South Carolina	No
Utah	No
Virginia	No
Wisconsin	No
Wyoming	No

Summary of Mississippi's Photo Identification Requirements

Information included on Mississippi's Medicaid identification card includes:

- The 12 digit number consisting of the beneficiary's ID number and a three digit card control suffix;
- beneficiary name;
- card issue date; and an
- encoded magnetic strip.

Photo identification, or other authenticating documentation, is not included on the card but must be presented in separate form. The provider is responsible for confirming that the person presenting the card is the person whom the card is issued to by:

- requesting a picture ID (e.g., a driver's license, school ID card, etc.); or
- verifying the Social Security number; and/or
- date of birth

While the preference is for providers to verify the identity of the person presenting for service with a picture ID when possible, some flexibility is provided as noted above. Mississippi did not conduct any studies to determine impact or feasibility. Rules and regulations regarding the need for third party access to services for consumers were not developed. We do not know how often or in what proportion providers accept alternative identification lacking a photograph, the relative impact of the requirement on adults and children, nor the overall impact on access to care.

Study on the Potential Impact of a Medicaid Photo Identification Requirement

Kansas Health Policy Authority ♦ Presented on: 01/01/07

Summary of New York's Photo Identification Card

New York does not require a photo ID in addition to the beneficiary's Medicaid card, although for many adults, the Medicaid card contains a photo. There are numerous exceptions, however, to the inclusion of the photo ID on the Medicaid card.

Beneficiaries whose card does not include a photo ID are:

- Persons residing in health care facilities
- Persons residing in developmental centers operated by the Office of Mental Retardation and Developmental Disabilities (OMRDD)
- Persons residing in psychiatric centers operated by the Office of Mental Health (OMH)
- Persons residing in residential treatment facilities certified by the OMH
- All Social Security Income (SSI) recipients
- All children under 21 living with a responsible relative, as well as foster care children
- At local option, districts may require photo identification of persons between the ages of 18 and 21, who are not living with a responsible relative
- All persons applying at sites other than local social services offices until next client contact or recertification
- Homebound persons including those receiving personal care, home health care, or long term care
- Persons residing in living arrangements operated by OMH, or residing in living arrangements certified or operated by the OMRDD
- Persons enrolled in the OMRDD Home and Community Based Services Waiver (HCBS)

As indicated by this list, the inclusion of a photo on the Medicaid card is inconsistent across beneficiaries in New York. Supporting documentation in addition to or instead of a photo on the Medicaid card (e.g., current driver's license) is not required by New York rules.

Relationship to DRA Citizenship and Identity Verification

To further investigate effects of the proposed requirement, KHPA reviewed the procedural and enrollment impact on Kansas Medicaid beneficiaries of the new federal citizenship and identity verification requirements, as defined in the Deficit Reduction Act of 2005 (DRA). While the DRA requires documentary proof of citizenship and identity to determine eligibility, the Legislature requested a study of requiring photographic proof of identity at the time services are received. The documentation requirements for each of these processes are very similar. Examples of the common forms of acceptable documentation for proof of citizenship and identity at the time of application include:

Any one of these as a single primary document:

- U.S. Passport
- Certificate of Naturalization
- Certificate of U.S. Citizenship, or

Any two of these secondary documents in combination:

- U.S. Birth Certificate
- Certification of Birth Abroad
- U.S. Citizen Identification Card

Study on the Potential Impact of a Medicaid Photo Identification Requirement

Kansas Health Policy Authority ♦ Presented on: 01/01/07

- Consular Report of Birth
- Final adoption decree, plus
- Driver's license or state ID card
- School ID card with photo
- U.S. Military Card
- Native American Tribal document¹

The requirements for obtaining a valid Kansas driver's license or state identification card are very similar (e.g., certified birth certificate, U.S. passport, U.S. military I.D., DD 214, Bureaus of Indian Affairs Tribal Identification Card, certified order of adoption, certificate of naturalization with intact photo, photo DL issued by a U.S. state, photo ID issued by a U.S. state).

Since implementation of the citizenship verification requirements went into effect on July 1, 2006, KHPA has documented significant impact on Kansas applicants and beneficiaries as well as on enrollment operations at the Kansas Family Medical Clearinghouse.² These impacts, including a drop in caseload of approximately 18,000-20,000 and a potential increase in administrative costs of more than \$1 million, illustrate how additional administrative requirements can pose enrollment barriers to eligible Kansans. While the nature of the DRA documentation requirements at the time of application, and a photo ID requirement at the time of service, are different, it is important to note the potential for administrative requirements to impact access to care. In particular, the administrative process of creating Medicaid picture IDs would fundamentally alter the existing mail-in application process. Approximately 85% of applications from families and children are processed at the Family Medical Clearinghouse in Topeka. Adding a photograph to this process would have significant cost implications for the state and would make it more difficult to enroll in the program, e.g., with the added burden of driving to a central location (such as a local SRS office) to get an official Medicaid picture.

KHPA's experience with the identity verification requirement shows that beneficiaries struggle with producing identification documents for an annual enrollment process. There are significant costs to acquiring the documents, and accessing the original documents for enrollment purposes has prevented several thousand people from becoming eligible. Imposing a requirement to show identification at each appointment would have similar discouraging impacts on beneficiaries' access to routine care or emergency care.

Potential Impact to People with Disabilities

The citizenship requirement in the DRA included "all U.S. citizens and nationals applying for or renewing their Medicaid coverage to provide documentation of their citizenship status."³ As a result of this requirement, Community Supports and Services (CSS), a unit within the Health Care Policy Division of Social Rehabilitation Services (SRS), began planning how to support people with disabilities in obtaining the necessary documentation. Although subsequent legislation and Federal regulation has since been issued exempting Medicare beneficiaries and most individuals receiving Supplemental Security Income (SSI) and Disability Income (SSDI) from the citizenship documentation requirements, issues with relevance to a potential photo ID requirement that were initially taken into consideration by CSS in reviewing the citizenship requirements included the following:

¹ Families USA. "Citizenship Update: Administration Creates Additional Barriers to Medicaid Enrollment." June 2006.
<http://www.familiesusa.org/assets/pdfs/DRA-Citizenship-Update.pdf>.

² http://www.khpa.ks.gov/PressReleases/Releases/12-1-06Citizenship%20Fact%20Sheet%20_3.pdf

³ Kaiser Commission on Medicaid and the Uninsured. "New Requirements for Citizenship Documentation in Medicaid." July 2006.
www.KFF.ORG/KCMU.

Study on the Potential Impact of a Medicaid Photo Identification Requirement

Kansas Health Policy Authority ♦ Presented on: 01/01/07

- Individuals enrolled in Medicaid are less likely than the general population to have access to a passport or birth certificate.⁴
- Based on ongoing experience, many of the people served by CSS do not have driver's licenses or access to their birth certificates.
- Families or guardians of these beneficiaries are often times not readily available to help (i.e., many live out-of state or are located a significant distance away).
- For some beneficiaries, especially those with cognitive disabilities, staff will need to take responsibility for maintaining and presenting the photo ID to the provider. Given the already hectic schedule many staff members are required to maintain, remembering to bring the photo ID to each appointment may be difficult. If the requirement were implemented, forgetting the ID could result in denial of services.
- Elderly beneficiaries may have been born outside of hospitals making the documentation requirements even more difficult to achieve.
- For children, decisions about how often the ID would need to be updated to account for rapid changes in appearance, and how to assist parents in obtaining the IDs, would need to be made.
- Similarly, decisions regarding how to pay for the costs of the IDs, staff research time to locate the needed documentation to obtain the IDs, and transportation costs to the designated entities where the IDs can be obtained would need to be made.

Rules and Regulations regarding Third Parties to Access Services

Many Medicaid beneficiaries, especially individuals with cognitive disabilities, children, and the elderly, are dependent upon third parties to assist in the enrollment process and to access services. Any requirement to provide photo ID or documentation at the point of service would need to accommodate these groups of people and others with special needs, which may potentially lead to a series of exempted populations or services.

Related questions include:

- Within the context of institutional settings (e.g., ICFMRs, state institutions, etc.) does the proposed requirement mean that presentation of the photo ID would be necessary each time institutional staff provide services?
- Would IDs be required for each Medicaid service provided to a child in a school setting?
- Would foster-care children be required to obtain and show photo ID?
- Are there special concerns for the provision and delivery of the Durable Medical Equipment Program (e.g., oxygen deliveries, etc.)?
- How will this requirement affect the provision of services for recipients in private insurance plans, i.e., managed care organizations?
- How would the requirement apply to self-directed care within Home and Community Based Services (HCBS)?

Development of Hardship Criteria

While some populations might have a difficult time presenting a photo ID at the time of service, some populations would (also) have an especially difficult time obtaining a photo ID. The state could develop hardship criteria to exempt these populations from the requirement, or could make an effort to ease the costs and difficulties. The need to do this would depend in part on the method used to pay for beneficiary acquisition of the state-approved photo identification. To address these costs, the state could pay the costs of the ID (whether

⁴ Families USA. "Citizenship Update: Administration Creates Additional Barriers to Medicaid Enrollment." June 2006. <http://www.familiesusa.org/assets/pdfs/DRA-Citizenship-Update.pdf>.

it be a Medicaid ID or an alternative), and could also pay for associated costs of obtaining the ID, such as the transportation costs to the nearest photo ID station. It is possible that a 50/50 Medicaid administrative match could be used.

Conformity with Emerging Standard for Health Plan ID Cards

In addition to feasibility and overall beneficiary impact, consideration should also be given to the standards for advanced technology health plan ID cards being developed by the Governor's Health Care Cost Containment Commission (H4C). The H4C was established in 2004 as part of the Healthy Kansas initiative and was charged with improving quality of health care and increasing the acceptance of health care information technology in the state of Kansas. In order to identify regional administrative issues and best practices, the Commission conducted community forums throughout the state and worked with key stakeholders, in both public and private sectors, to achieve their goals of improving quality of care and reducing the cost of health care.⁵

In April, 2006, the H4C initiated an advanced technology ID card project to explore eligibility and claims payment problems at the point of service and to identify best practice guidelines for health plan patient/member identification cards. Recently, the H4C endorsed the Mid-America Coalition on Health Care (MACHC) best practice guidelines for health plan patient/member identification cards. Below is a partial list of data elements the MACHC considers essential or optional to include on the identification card.

- Patient Name
- Patient Identification Number
- Health Plan or Payor Name and Logo
- Health Plan or Payor Phone Number
- Product or Plan Type
- Primary Care Physician (PCP) Name
- PCP Phone Number (optional)
- Employer Group Name or ID Number
- Provider Network Name or Logo
- Effective or Issue Date

A photograph is not included in the essential or optional data elements identified by MACHC.

The best practice standards established by the MACHC are aligned with the guidelines developed by the Workgroup for Electronic Data Interchange (WEDI). WEDI is an organization dedicated to identifying "best practices" for implementation of health care standards. In December, 2005, WEDI developed draft implementation guidelines specific to the American National Standard, *Identification Cards-Health Care Identification Cards*.⁶ The standard is an application of international card standards to health care applications in the United States.⁷ The stated purpose of the guideline is "to standardize present practice, to bring uniformity to information, appearance, and technology of over 100 million cards now issued by health care providers, health plan or payers, government programs, and others."⁸ WEDI reports that the "potential benefits (of the standardization of health identification cards) to the health care – to patients, health care providers, and health

⁵ Office of the Governor. "Sebelius Administration Takes More Steps for Affordable Health Care." 15 Dec. 2004. <http://www.ksgovernor.org>.

⁶ Workgroup for Electronic Data Interchange. "Health Identification Card Implementation Guide." 2 Dec. 2005.

⁷ Ibid.

⁸ Workgroup for Electronic Data Interchange. "Health Identification Card Implementation Guide." 2 Dec. 2005.

plans or payers - are very significant, especially from uniformity, efficiency, automation, and error reduction.”⁹ It is worthwhile to note that the implementation guide “permits, but does not require, inclusion of a portrait” on the identification card.¹⁰

The H4C has invested in the development of a uniform health plan ID card and may move ahead with guidelines that do not include photographs on the card. The H4C expects to complete its recommendations by the end of December 2007.

The Legislature may want to examine the H4C’s progress in advancing uniform statewide ID card standards before moving ahead with a separate plan for Medicaid cards. Questions include:

- Does the state want to establish one ID card for Medicaid populations and a separate and distinguishable card for private pay populations?
- What are the specific concerns that entail a photo ID requirement for populations insured through Medicaid that private plans – using current market practice and the H4C’s recommendations as a guide – have determined are unnecessary or unwanted?

Summary of Potential Implications

This review has identified a number of concerns related to requiring photo identification for Medicaid beneficiaries at the point of service. Factors that need to be taken into consideration in the decision to require a photo ID include:

- The potential financial costs to beneficiaries, providers and the state due to the introduction of a photo ID requirement.
- The attitude of compliance, modest support, and serious questions reflected in the results of the FHSU survey of beneficiaries and providers.
- The lessons learned from the addition of citizenship and identity verification requirements to the Medicaid enrollment process, including a negative impact on access to care.
- Questions about the application of newly-developed national and state standards for health plan cards (that do not include a photograph) and the unclear rationale for – and implications of – treating Medicaid beneficiaries differently.
- The differential impact a photo ID requirement would have on certain populations, primarily children, people with disabilities, and the elderly, and the potential for accentuating disparities in treatment and care.

KHPA Board Recommendation

Medicaid beneficiaries are currently experiencing delays in receiving health care services due to the implementation of new Federally-mandated citizenship and identity verification requirements as specified in the Deficit Reduction Act. The proposed photo ID requirement would likely have a similar impact and could compound the situation for many beneficiaries. A uniform photo ID requirement would also impact a much wider group of Medicaid beneficiaries, including the disabled, elderly, and institutionalized populations. It is the consensus of the KHPA Board, gained during the December 12, 2006 Board meeting, that the impact of this proposed photo ID requirement would cause potential harm to individuals needing health care services, and that they would not support such a proposal without significant modification to address these concerns.

⁹ Ibid.

¹⁰ Workgroup for Electronic Data Interchange. “Health Identification Card Implementation Guide.” 2 Dec. 2005.